

January 13, 2012



chief electoral office

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Dear [REDACTED]

Re: Provincial Fund-Raising Functions and Provincial Political Contributions

Our Office has received inquiries from public post-secondary institutions established under the Post-secondary Learning Act regarding appropriate payment policies for administrators attending political fund-raisers (example: the MLA's Golf Tournament or Dinner). In order to ensure understanding and ongoing compliance with the law, Alberta public post-secondary institutions should be aware of the following:

A public post-secondary institution within the Province of Alberta cannot make a political contribution nor reimburse an individual for a political contribution because a public post-secondary institution is considered a "prohibited corporation" under Section 1(1)(l)(v) of the *Election Finances and Contributions Disclosure Act (the Act)*.

We draw your attention to Section 16 of *the Act* which states:

16 No prohibited corporation, person ordinarily resident outside Alberta or trade union or employee organization other than a trade union or employee organization as defined in this Act shall make any contributions to a registered party, registered constituency association or registered candidate.

Section 23(3)(a) of *the Act* prescribes the portion of a ticket to a fund-raising function which is deemed to be a contribution:

(3) If an individual charge by the sale of tickets or otherwise is made for a fund-raising function held by or on behalf of a registered party, registered constituency association or registered candidate, then, for the purposes of this Act,

- (a) if the individual charge is \$50 or less, it shall not be considered as a contribution unless the person who pays the charge specifically requests that it be so considered, in which case 1/2 shall be allowed for expenses and 1/2 shall be considered as a contribution to the registered party, registered constituency association or registered candidate, as the case may be, and
- (b) if the individual charge is more than \$50, \$25 shall be allowed for expenses and the balance shall be considered as a contribution to the registered party, registered constituency association or registered candidate, as the case may be.

To comply with *the Act*, the public post-secondary institution may reimburse the individual who attends a political fund-raiser only for the amount that is allowed as an expense. The individual is responsible for paying the contribution portion and is therefore entitled to an official tax receipt.

For example, if the ticket price is \$100, \$25 is deemed as the expense, and \$75 is deemed as the contribution. Only \$25 may be reimbursed by the public post-secondary institution.

We understand some public post-secondary institutions may compensate administrators for attending meetings and events as representatives of the institution. This compensation is not subject to *the Act*.

We trust this will provide clarification on the restrictions of public post-secondary institutions' contributions to political fund-raising functions. If your institution has inadvertently made contributions to a political entity since January 2005, I encourage you to report these contributions to this Office immediately. We would be pleased to work with you to ensure compliance with the legislation. Feel free to contact Bill Sage at 780-638-3134 (or toll free 310-0000 then 780-638-3134) or by email at bill.sage@elections.ab.ca if you have any questions.

*

Sincerely,

[Redacted signature]

[Redacted text]

news release



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Alleged violations range from 2004 to 2011. As a result, it takes some organizations considerable time to obtain documentation and prepare a detailed response. All organizations contacted have been cooperative throughout this review.

The Chief Electoral Officer has communicated with approximately 1,000 stakeholders to promote compliance through education. Prohibited corporations were asked to reveal any potential violations and a number of voluntary disclosures were submitted.

To date,

- 26 files have been opened, based on the receipt of complaints
- 24 files have been opened, based on voluntary disclosures
- 11 files have been opened, based on the internal review of financial records

At this point, 8 files have been closed because the financial records demonstrate that no prohibited contributions were made. The Chief Electoral Officer has contacted the organizations affected to advise them that no further action is required.

The remaining 53 files are either awaiting further documentation or review of the evidence to determine whether prohibited contributions were made. Putting this into perspective, over 152,000 contributions were made to political entities from 2004 to 2010; a portion of the timeframe under review. The number of contributions made in 2011 is unknown at this time: they will be reported on financial statements that must be filed with Elections Alberta by March 31, 2012.

As documentation is received, each file is reviewed to determine whether the allegations are unfounded, well founded or partly well founded. Files containing allegations that are substantiated, and files in which the internal review or voluntary disclosure process reveal that a violation has occurred, will be assessed in a fair, equitable and consistent manner.

The law allows the Chief Electoral Officer to consider a number of remedies if the evidentiary proof supports the allegation of prohibited contributions. Remedies are available against both the contributor and recipient of a prohibited contribution.